



[6450-01-P]

DEPARTMENT OF ENERGY

(OE Docket No. PP-420)

Application for Presidential Permit;
Nogales Interconnection Project

AGENCY: Office of Electricity Delivery and Energy Reliability, DOE.

ACTION: Notice of Application.

SUMMARY: Nogales Transmission, L.L.C., (Nogales Transmission) has applied for a Presidential permit to construct, operate, maintain, and connect an electric transmission line across the United States border with Mexico.

DATES: Comments or motions to intervene must be submitted on or before [insert date 30 days after date of publication in the *Federal Register*].

ADDRESSES: Comments or motions to intervene should be addressed as follows: Office of Electricity Delivery and Energy Reliability (OE-20), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

FOR FURTHER INFORMATION CONTACT: Christopher Lawrence (Program Office) at 202-586-5260 or via electronic mail at Christopher.Lawrence@hq.doe.gov, Rishi Garg (Program Attorney) at 202-586-0258.

SUPPLEMENTARY INFORMATION: The construction, operation, maintenance, and connection of facilities at the international border of the United States for the transmission of electric energy between the United States and a foreign country is prohibited in the absence of a Presidential permit issued pursuant to Executive Order (EO) 10485, as amended by EO 12038.

On April 8, 2016, Nogales Transmission filed an application with the Office of Electricity Delivery and Energy Reliability of the Department of Energy (DOE) for a

Presidential permit. Nogales Transmission has its principal place of business in Dallas, Texas. Nogales Transmission is owned by Hunt Power, L.P., a Delaware limited partnership (Hunt Power), which in turn is a subsidiary of Hunt Consolidated, Inc.

Nogales Transmission proposes to construct and operate the Nogales Interconnection Project (the Project), an approximately five mile long overhead transmission system originating at the Valencia Substation in Nogales, Arizona, connecting to the proposed Gateway Substation three miles to the West and then crossing the U.S. border two miles to the south of the Gateway Substation. The proposed project facilities would be capable of transmitting up to 300 megawatts (MW) of power.

The U.S. portion of the proposed project would cross the U.S.-Mexico border west of the Mariposa Point of Entry. From the Valencia Substation to the Gateway Substation, a three mile, 138 kV line would be constructed. A 300 MW bi-directional Back-to-Back HVDC Converter will be located at the Gateway substation, connecting the WECC system to the Mexico system. The Back-to-Back HVDC Converter will have two phases with each phase capable of 150 MW of bi-directional flow between the WECC and Mexico systems. From the Gateway Substation to the border, a 230 kV line would run approximately two miles to the Mexico border.

The Project will be operated in accordance with the established engineering and technical criteria of the Western Electric Coordinating Council. System impact studies are being conducted to analyze the effect of importing and exporting the entire 300 MWs across the Back-to-Back HVDC system.

Since the restructuring of the electric industry began, resulting in the introduction of different types of competitive entities into the marketplace, DOE has consistently expressed its policy that cross-border trade in electric energy should be subject to the same principles of

comparable open access and non-discrimination that apply to transmission in interstate commerce. DOE has stated that policy in export authorizations granted to entities requesting authority to export over international transmission facilities. Specifically, DOE expects transmitting utilities owning border facilities to provide access across the border in accordance with the principles of comparable open access and non-discrimination contained in the Federal Power Act and articulated in Federal Energy Regulatory Commission (FERC) Order No. 888 (Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; FERC Stats. & Regs. ¶31,036 (1996)), as amended. .

PROCEDURAL MATTERS: Any person may comment on this application by filing such comment at the address provided above. Any person seeking to become a party to this proceeding must file a motion to intervene at the address provided above in accordance with Rule 214 of FERC's Rules of Practice and Procedure (18 CFR 385.214). Two copies of each comment or motion to intervene should be filed with DOE on or before the date listed above.

Additional copies of such motions to intervene also should be filed directly with: Enrique Marroquin, Nogales Transmission, LLC, 1900 North Akard Street, Dallas, TX 75201.

Before a Presidential permit may be issued or amended, DOE must determine that the proposed action is in the public interest. In making that determination, DOE considers the environmental impacts of the proposed project pursuant to the National Environmental Policy Act of 1969, determines the project's impact on electric reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and any other factors that DOE may also consider relevant to the public interest. Also, DOE must obtain the concurrences of the Secretary of State and the Secretary of Defense before taking final action on a Presidential permit application.

Copies of this application will be made available, upon request, for public inspection and copying at the address provided above, by accessing the program website at <http://energy.gov/oe/services/electricity-policy-coordination-and-implementation/international-electricity-regulation-2>.

Issued in Washington, D.C., on May 13, 2016.

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